

EMPLOYEE EQUITY PLANS – ONLINE FILING REQUIREMENTS

GLOBAL EQUITY UPDATE - UNITED KINGDOM



ALL COMPANIES WITH UK EMPLOYEES AND DIRECTORS HOLDING SHARES, SECURITIES OR OPTIONS MUST COMPLETE MANDATORY SHARE PLAN FILING BY 6 JULY 2016.

ONLINE FILING OBLIGATIONS

Since 6 April 2014, all companies with employee share plans or arrangements (Employment Related Securities or ERS) have been required to register arrangements and submit returns online.

An obligation to file a return can arise for any employee or director share transaction. A formal share plan is not required to trigger a filing obligation.

Companies should comply with the obligations to minimise the risk of losing valuable tax reliefs and incurring penalties. BDO can act as agent and file on behalf of clients.

ONLINE REGISTRATION WITH HMRC

Companies cannot file their annual returns until registration is complete. BDO can assist with the registration process and provide a comprehensive guide for clients.

HMRC TAX ADVANTAGED SHARE PLANS

New tax advantaged plans set up in 2015/16 must be registered and self certified by 6 July 2016 to avoid losing tax benefits.

HMRC SYSTEM

The HMRC system is complex and crashed last year leading to the loss of returns. HMRC have announced a phased start to this annual return season and there may be system issues this year. HMRC estimated that 3,000 returns are missing from 2014/15. If your company is affected the submission must be made quickly to reduce penalties.

FILING BY 6 JULY 2016

There are new annual return templates for 2015/16. These must be used for 2015/16 returns and any outstanding 2014/15 returns. New rules on Internationally Mobile Employees mean companies must take extra care when reporting these transactions.

PENALTIES

A return must be submitted for every ERS plan or arrangement registered. An annual return is required until a plan is wound up and ceased on the HMRC system. Penalties can mount up and reporting failure may also impact on HMRC's risk rating for the company.

BDO SERVICE

BDO helped over 700 clients with the new online filing requirements last year from registration to submission of returns. We will be pleased to help you this year.

ACTION POINTS

- ✓ Companies must register ERS plans and arrangements implemented in 2015/16
- ✓ Companies must self certify that tax advantaged plans meet the relevant legal statutory requirements
- ✓ Annual returns must be submitted online no later than 6 July 2016
- ✓ The HMRC system is complex and as experience shows prone to breaking so start the process now.

For further information
and to register for future
updates contact:

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Information contained herein is intended to reflect present law as of May 2016, and provides only a general outline of the subjects covered. Material discussed herein is meant for general informational purposes only and should not be relied on as professional advice. As such you should consult your own tax advisor regarding your specific tax matters.

Should you have a need for a trusted advisor in this area, please contact BDO's Global Equity team at globalequity@bdo.com.

This information is current as of May 2016.

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